

**MINUTES OF THE SPECIAL MEETING OF THE
WASHINGTON STATE TRANSPORTATION COMMISSION
October 30, 2001**

The regular meeting of the Washington State Transportation Commission was called to order at 8:30 a.m., on October 30, 2001, in Conference Room 124 of the Department of Transportation Southwest Region Headquarters at 11018 NE 51st Circle, Vancouver, Washington.

Commissioners present were: Chris Marr, Ed Barnes, George Kargianis, A. Michèle Maher and Connie Niva.

COMMISSION DISCUSSION WITH SOUTHWEST REGION EMPLOYEES

Don Wagner, Southwest Region Administrator, explained to the Commission that the Department recently received the National Value Engineering Award for the most cost-effective proposal in engineering. The Department was able to reduce the cost of constructing the SR 500 At Grade Intersection Removal by fifty-seven percent through value engineering, a savings of almost \$44 million. The team members receiving the award were: Ken Smith, WSDOT; Bart Arthur, Clark County; Brian McMullen, WSDOT; Becky Michaliszyn, WSDOT; Salima Nagji, City of Vancouver; Don Owings, WSDOT; Dean Moberg, WSDOT; Merilee Schoonover, WSDOT; and Chuck Green, Parsons, Princkerhoff, Quade & Douglas. Commissioner Marr complimented the staff on the excellent work, and urged the Department to communicate the achievement to the public. Secretary MacDonald commended the Southwest Region staff for their good work, and discussed the need for the State to invest in transportation, especially in these difficult financial times. He also commented on recent newspaper stories in the Southwest Region that demonstrated that the Region, and particularly Theresa Weil, the Region's Communications Officer, is getting the message of project delivery and accountability out to the public.

Mr. Wagner discussed the opening of the I-5 reconstruction project to traffic, and commended Don Owings, Area Engineer, Southwest Region and his team for delivering the project ahead of schedule. Mr. Wagner also discussed the HOV lane pilot project that was conducted in cooperation with the Oregon Department of Transportation, which demonstrated the usefulness of high occupancy vehicle lanes for the Vancouver-Portland corridor. He explained the new HOV lane pilot project on the Washington side of the river, and commented that the Department would be monitoring the results very carefully to determine the feasibility of continuing the program.

Commissioner Marr explained to the employees attending the meeting what the Transportation Commission does and how it conducts its business. The commissioners then introduced themselves, sharing their background, their areas of interest and their

perspectives on the current situation in transportation. Secretary MacDonald then introduced John Conrad, Assistant Secretary for Engineering and Regional Operations, and Paula Hammond, Chief of Staff.

Commissioner Marr asked for comments and questions from the employees.

Deb Wallace asked for the Commission's perspective on what the Legislature would do in the coming legislative session. Commissioner Maher responded that it is possible that no action would be taken on a revenue package. Commissioner Kargianis responded that the public should determine whether it wants the State and Nation to invest in transportation improvements. He commented that reducing the transportation budget would be a self-defeating reaction, given that investments in transportation create jobs, both in immediate construction employment and through supporting long-term economic growth. Commissioner Marr commented that the State should determine what the core transportation system should be for the State, and concentrate on making investments in that system rather than trying to invest in all aspects of transportation. Commissioner Barnes suggested that the outcome of the two legislative races would have an impact on what the Legislature would be able to accomplish in the coming session.

John McConnaughey urged the Commission to dissuade the Legislature from investing in projects that don't make sense, even though there may be a constituency for the projects. Commissioner Maher responded that there are many small projects that are justified from an economic perspective, and also enable all parts of the State to benefit from investments. Commissioner Marr commented that the State should concentrate its investments in major projects that benefit the whole State. Commissioner Niva responded that projects should not be subject to political trades, but rather the State should invest in the major projects.

Dean Moberg asked about letters to the editor that assert that Initiative 695 did not hurt the State, because the Legislature back-filled the revenue reduction. He asked how the Commission and Department could get out the message that the initiative did have an impact on the public. Commissioner Marr commented that the public has a receptive ear, but the Commission and Department need to explain that the State has been under-investing in transportation during the past twenty years. The Commission and Department also need to talk about efficiency efforts, such as the value-engineering project, to show the public that the Department uses tax dollars wisely. Commissioner Kargianis pointed out that it isn't widely understood that I-695 was an attempt to fix one bad tax that needed to be reformed, and that lack of understanding is causing problems in obtaining support for transportation investments.

Bart Gernhart informed the Commission that the public is asking whether the projects funded under the current law budget are in danger of being eliminated or delayed given the declining financial health of the State. Ms. Hammond responded that the Governor is looking at the current law budget to possibly absorb a one hundred million

dollar gap in the revenues available to support the existing transportation budget. Secretary MacDonald recommended that everyone stay focused on getting his or her work done, not on wondering what the Legislature might do. He urged the employees to do their part in building public support for revenue by doing a good job.

Commissioner Marr thanked the employees for attending, stating that Department employees are key to delivering a transportation system to the public.

COMMISSION ROUNDTABLE DISCUSSION WITH INVITED TRANSPORTATION STAKEHOLDERS

Commissioner Marr called the session to order, introduced himself and invited the participants to introduce themselves.

After introductions, Mr. Wagner provided an overview of the improvements being made in highway operations. He introduced Captain Bob Lenz of the Washington State Patrol, who commented on the value of co-locating the two agencies and the efforts being made to coordinate for improved incident response on the highways. Mr. Wagner also briefed the Commission on the 192nd Street Interchange project, the Thurston Way design-build project underway, and the I-5 HOV project that is now open for operation.

Secretary MacDonald commented that nobody knows what the Legislature will do during the 2002 legislative session in response to the transportation investment needs, but that it is clear that investments must be made to catch up with growth. He pointed out that since 1980, there has been a 43% increase in the population, a 58% growth in vehicle registrations, an 88% growth in vehicle miles traveled, a 110% increase in gross personal income, while the proportion of personal income the State is investing in transportation through taxes fell 50%. While the demands on the transportation system grew tremendously during the past twenty years, investment as a proportion of State income was actually reduced. Secretary MacDonald observed that a business plan that doubles income and halves investment is not sustainable or viable. He pointed out that according to federal data, State government budgets across the country increased, with the State of Washington increasing its budget by 23% between 1993 and 1999. At the same time, the transportation portion of the Washington State budget fell by 33%. Secretary MacDonald stated that the congestion and the deterioration of the system being faced today is a direct result of not making the necessary investments.

Secretary MacDonald shared with the participants the steps the Department is taking in response to the investment shortfall. The Commission has submitted a major supplemental budget, reflecting a list of projects that are ready to go. At the same time, the Department is trying to respond to a request from the Office of Financial Management for reduction proposals to address the \$100 million shortfall in the General Fund contribution to the transportation budget. He stated that the Department is

focusing on reversing public skepticism about the Department and its ability to deliver projects efficiently and on time. The Department is also increasing its efforts to manage the existing system efficiently, cooperating with the Washington State Patrol and the local police forces to accomplish this. He also briefed the participants on the Department's work on tracking performance, through the new Measures, Milestones and Markers quarterly report, more commonly known as the Gray Book. Secretary MacDonald closed his comments by asking for advice on what else the Department should be doing to improve performance and obtain public support.

Mr. Wagner introduced the topic of the 134th Street development moratorium, which was the result of population growth and development not being matched by transportation investments. He pointed out that the specific situation is just one example of the problems facing the area. Randy Printz, of Landerholm, Memovich, Lansverk & Whitesides, PS, discussed with the Commission the impact of the failure to invest in transportation facilities on the ability of businesses to obtain permits. He pointed out that the plans adopted by the Regional Council and local governments show future transportation investments, but businesses cannot rely on those plans for their own planning because the investments don't get made. Access for businesses is also becoming an issue, because the highways become walls that divide the community and prevent development. Jerry Olson, of Olson Engineering, Inc, discussed the failure of the 134th Street interchange to handle the traffic volumes. He pointed out that the interchange was not built in a manner that would address future growth, and so is now inadequate. Even though it is clear that the interchange needs to be improved, businesses are locating in what ought to be the right of way for the transportation facility. Steve Horenstein, of Mill Nash Attorneys at Law, pointed out that I-5 and I-205 are facilities of statewide significance, and exempt from concurrency requirements, but it is very unclear what that means for businesses trying to invest in developments. The area around the 134th Street interchange can't wait for five years or more for improvements. He commented that the Department is working on solutions, but the situation caught the County by surprise, and the County needs to catch up with the Department's planning. He also commented that the Regional Transportation Council should help facilitate regional cooperation in working with the State to develop a state and regional funding mechanism to address all of the transportation needs in the Clark County area. Commissioner Barnes urged the business community to also contact the I-5 Partnership Project, which is working on a comprehensive investment program that will be tied both to the State transportation investment proposal worked on in the Legislature and the reauthorization of the federal six-year transportation program. John Mark, of Sharp Micro Electronics of America, informed the Commission that the concern of businesses is whether Washington is a business-friendly state. Companies are consolidating and the portions of national or international businesses located in Washington State are being closed. He commented that the State needs to decide who will pay for investments, and the Legislature and other elected leaders will have to take tough votes on taxes.

Mr. Mark briefed the Commission regarding the work of the High Tech Council, which is a group of businesses which came together in 1999 to address the need for investments in the 192nd Street Interchange, the 134th Street Interchange, and the investments needed to deal with the East Vancouver Expansion Moratorium. The Council also includes the Chambers of Commerce and other business organizations. The Council worked with legislators and was successful in obtaining funding for the 192nd Street Interchange. In July 2000, the Council established a formal structure, and has selected the East Vancouver Expansion Moratorium as its next issue on which to focus. Mr. Mark commented that the group is looking into the future, and sees the need for the State to organize efforts to promote the high tech industry through a more competitive environment; otherwise, the businesses that have been established will leave, and potential business will not come to Washington. Mr. Mark pointed out that other states are actively pursuing Washington businesses to move to their locations. Doug Maas, President of the Vancouver Chamber of Commerce, stated that the challenge for the High Tech Council is gaining public awareness and support for the necessary transportation investments. The Chamber held a forum on transportation with the neighborhood associations, and found that people in the community have the perception that business is not paying its share. He commented the Chamber must effectively communicate the vital role of business in the health of the community. Commissioner Kargianis asked for suggestions regarding what steps would be necessary to attract and retain business. Ms. Hammond pointed out that the Governor has formed the Competitiveness Council, which is examining what actions are needed to improve the economic health of the State. Mr. Mark suggested that traffic patterns created by the existing facilities pose a problem for access to businesses. Mr. Printz recommended the State and local governments create certainty in the permitting process. John White, of JD White Company, Inc, stated that the lack of strategic direction for transportation creates a lack of certainty for business investment planning. He urged the state and local governments to focus on long-term direction instead of putting out brush fires. Commissioner Niva asked for input on where the funding would come from for solutions to the transportation problems. She suggested that the public and business community don't believe each other as to who is paying their fair share of taxes. She further suggested that major tax reform to restructure the tax system to the needs of today's economy, and a willingness by the public to pay for transportation facilities with tolls, would significantly improve the State's ability to invest in needed services. John McKibbin, of Identity Clark County, pointed out that the discussion about what to do to fund transportation is going on all around the State, but the participants in the discussion are the individuals who already know about the problem and potential solutions, not the public. The solutions being posed are also band-aid approaches. He stated that the transportation and business communities need to deal with the fundamental mind set of the political system, through a comprehensive, forward looking program that can change the thinking of those in charge.

Secretary MacDonald asked the participants for feedback on what the Commission and Department should do to help. He pointed out that the amount of investment needed is unimaginable for the public. Commissioner Marr responded that the State did not address its needs during a time of prosperity, and is in danger of continuing its poor decision to not invest. He stated that the Commission and Department should lead by example, creating and communicating a vision and be willing to confront the political leadership of the State. Mr. Mark responded that the Commission and Department cannot do it on their own, but need to involve the business community in presentations to the Legislature. He recommended a partnership with the business community. Commissioner Barnes stated that the type of effort put forth by the High Tech Council for transportation investment should be organized across the State.

Larry Paulson, Executive Director, Port of Vancouver, briefed the Commission regarding the need to invest in the transportation capacity of the Columbia River. The State of Washington is the most trade dependent state in the nation. Several ports serve trade along the Columbia River, and are coordinating together to be competitive with other ports around the country. Transit by ocean going vessels still carries the vast majority of trade in the world. The dredging of the Columbia River is a vital step in maintaining the economic health of the region. By 2004, a large percentage of cargo will be carried on vessels that require a deeper channel than presently exists. The savings from utilizing the larger vessels are substantial, and will contribute to the economic viability of the agricultural and other business sectors. The project has been withdrawn because of issues still unresolved with the National Marine Fisheries Agency. The project is about to issue the first biological assessment, which will position the project to move forward. There is another question, which is whether the funding will continue. Federal funding is assured, and the State of Oregon has appropriated its share of the funding. The State of Washington has appropriated the funding needed for the first biennium of work. If the funds stay in place and the biological assessment is completed in a satisfactory manner, the project will be able to be completed.

Commissioner Marr then requested that the participants return to the discussion regarding Secretary MacDonald's question about what the Commission and Department should be doing to develop support for a transportation investment program. Mr. Maas responded that the Commission has a very willing group of advocates represented in the discussion. He urged the Commission and Department to contact the business community during the legislative session to coordinate testimony and information distribution, and to also return to Vancouver to participate in meetings using a broader public forum, including neighborhood associations, to talk about the need for transportation investment. Mr. McKibbin urged the Commission and Department to take a proactive, assertive approach to leadership to address the funding issues, and to communicate a vision that can be supported by the Governor, the Legislature and the public. Mr. Printz asked the Commission to deal with the approach the Department takes to allowing access to state highways, and to also facilitate bringing the Department

and the local governments together to review and revise the capital facility plans so that they are realistic enough to prevent moratoriums on development. Mr. Olson also urged the Department to streamline its access permitting process, so that it doesn't take six months to get an answer. Judy Devaul, Commissioner for the Port of Chehalis, expressed her appreciation for the fact that economic development issues are being given more attention by the Commission and Department. Mr. Mark stated that it is important that the meeting results in action being taken. He recommended the Commission and Department develop and communicate a vision for transportation's role in the State, develop a plan to implement the vision, and then provide the leadership in promoting action on the plan.

JOINT MEETING OF THE COMMISSION, SOUTHWEST WASHINGTON REGIONAL TRANSPORTATION COUNCIL, AND SOUTHWEST WASHINGTON REGIONAL TRANSPORTATION PLANNING ORGANIZATION

Commissioner Marr called the session to order, and asked that each participant introduce him or herself.

Dean Lookingbill, Executive Director of the Regional Transportation Council, discussed the proposal of the Blue Ribbon Commission on Transportation regarding regionalism, stating that the Department and the local governments have worked together to develop a metropolitan transportation plan. The discussions regarding the plan led to the formation of a working group to determine how the regionalism proposal might affect Southwest Washington, and what model might work best for the region.

Mark Brown, Governmental Affairs Director, City of Vancouver, welcomed the Commission on behalf of Mayor Pollard, who was not able to attend due to a City function. He stated that the deficit of transportation investments led to the regionalism proposals in the Legislature. He commented that the regionalism models being discussed are too oriented towards the needs of the Puget Sound region. The Legislature should define what the goal of regionalism is, and how it would work for each region, rather than simply imposing one model without definition. He expressed the concerns of the City of Vancouver that the effect of regionalism might be to divert money away from the region, instead of being used as a match for State funds. He presented a memorandum from the City, urging that the authorizing legislation for regions provide for the program to be voluntary, flexible, and be a mechanism for providing matching funds for State financed projects. Thayer Rorabaugh, Manager of Transportation Services, City of Vancouver, commented that the City wants regions to be able to develop their own structure, projects and funding strategies. He pointed out that Portland Metro could serve as an example of an approach to be used. He stated that there are also important local arterials that are not part of the State system, and those arterials need to have a funding mechanism within the regionalism concept. Sharon Wylie, Governmental Affairs Director, Clark County, stated that the regionalism discussion should not be the major focus of the Legislature, but rather on authorizing enough revenue to address the transportation problems. The counties are

concerned with being left to fill funding gaps left by an emphasis on investment in the Puget Sound through regionalism.

Commissioner Marr asked how the partnership between the cities and counties is working, given the question of regionalism. Betty Sue Morris, Commissioner, Clark County, responded that the relationship improves and deteriorates in cycles, but that the two entities are starting to understand each other's needs. The Regional Transportation Council serves as a good forum for promoting that understanding.

Craig Pridemore, Commissioner, Clark County, commented that the focus by the Legislature on regionalism could be seen as a way to avoid talking about taxes. Commissioner Marr responded that a few Legislators appeared to take ownership of the concept and proposed legislation without working with all of the areas of the State. He asked whether that situation had changed since the end of the legislative session. Mr. Rorabaugh responded that during the latter part of the legislative session, Legislators started to think about regionalism and its impact in areas other than the Puget Sound.

Commissioner Maher asked for more details regarding the issue of local arterial funding under a regionalism concept. Judy Stanton, Commissioner, Clark County, responded that while local governments recognize the need for there to be a local contribution to State highway improvements, there are also important local arterials that contribute to the operation of the overall system and deserve a share of the revenue.

Mr. Brown stated that he is not optimistic about the progress of the discussions regarding regionalism, and suggested the affected parties should arrive at a definition of what is the purpose of regionalism, and how it will function. He asked the Commission to develop a regionalism model that would address the purpose of regionalism and how it would operate. Mr. Rorabaugh added that the model should address the question of how the concept of each region receiving a minimum percentage of revenue generated in the region would work.

Steve Harvey, Director, Cowlitz Wahkiakum Council of Governments, stated that the issues his region faces are economic development issues. The area is trying to diversify its economy into manufacturing, and trying to improve freight mobility to support the transition from a resource-based economy to a manufacturing economy. The Council has been considering regionalism, and developed a process for prioritizing projects. The Council supports a voluntary regionalism program, using the transportation organizations already in place. It should be flexible, allowing for a wide mix of funding from public and private sources. The regional funds should be used to improve the cost-benefit ration for prioritized projects within the State systems plan. Long-term transportation planning tools, such as route development plans, added access decision reports, and the National Environmental Protection Act should be the technical

basis for projects on highways of State significance. Regional funding should not influence the distribution of revenue from the State. The regional program should have a wide menu of options for raising revenue.

Esther Gregg, Commissioner, Wahkiakum County, stated that the region served by the Southwest Regional Transportation Planning Organization has a large resource-based economy, even while it expands into new industries. She informed the Commission that while SR 4 and SR 6 appear to be simply scenic country roads, they are in fact state highways that are crucial to the economy of the region.

Sharon Wylie, Governmental Affairs Director, Clark County, expressed the concern that if the State focuses only on large projects, it will strip the State's capacity for addressing the more regional needs.

Bob Hasbrouck, Council Member, Woodland City Council, pointed out that the regionalism proposal from the Cowlitz Wahkiakum Council of Governments, which proposes criteria for projects that should be funded, focuses on economic development.

Secretary MacDonald pointed out that the original Blue Ribbon Commission on Transportation regionalism proposal was based on the theory that the richer regions, such as the central Puget Sound, had both the greater needs and the greater ability to contribute toward meeting those needs. The intention was for the regionalism program to be an add-on to an adequate baseline of funding for the entire State. He commented that the original concept got lost during the subsequent legislative debates. He informed the participants that the Department was asked to put together draft legislation for a regionalism proposal. He distributed a copy of a set of basic principles that a regionalism program should abide by, developed by Department staff. The principles call for a means for a local tax package to be put to the voters, building on the current understanding of what projects need to go forward rather than creating a new and lengthy planning process, putting the regional leadership in charge of selecting the projects. The existing delivery agencies should be used, rather than creating a layer of bureaucracy, inefficiency and confusion through new agencies. The final principle is that simple financial mechanisms should be created so that revenues from the new local option taxes can be directed back to the regions, while preserving the Legislature's authority over the distribution of existing statewide taxes.

Ron Monroe, Councilor, Portland Metro, observed that Oregon faced the same issue. He stated that the issue of regionalism would take more than one legislative session to resolve, and that the debate should produce general authorizing legislation with a great deal of flexibility. He stated that the Portland-Vancouver metropolitan area is a major hub of the Pacific Northwest. The Columbia River, I-5, I-84 and two major rail lines that run north south and east west access it. It also is the site of the Portland International Airport. The planning and programming for transportation cannot be based on jurisdictions, but must reflect the needs of the entire region. He commented that if the

congressional delegations of the two States could work together, much could be accomplished in Congress to fund major transportation improvements.

Mr. Pridemore briefed the Commission regarding the I-5 Partnership Study. He pointed out that the Study Steering Committee is co-chaired by Commissioner Ed Barnes and by former Oregon Commissioner Henry Hewitt. The study is focused on identifying freight mobility needs and developing action plans for meeting those needs. The study is examining the I-5, I-205 and I-84 corridors, but also considers rail and land use issues within those freeway corridors. The Study Committee established evaluation criteria early on, and developed options for meeting the needs of the region. The Committee is now reviewing the options that were developed. Secretary MacDonald added that Commissioner Barnes is doing an excellent job of leading the work of the Committee.

Lynne Griffith, Executive Director, CTRAN, discussed the new HOV pilot project, pointing out that the addition of the HOV lane will maximize the use of the highway and also make the transit system more efficient by allowing rapid delivery of passengers and an increased number of trips per day. She stated that the transit system is already working on a standing-room only basis, and the added capacity will help reduce that.

PUBLIC COMMENT PERIOD

Paul Edgar informed the Commission that he has been counting the cars using the HOV system during the day that it has been in operation, and at no time did the usage reach half of the minimum usage required by the Federal Highway Administration. He stated that he supports CTRAN and light rail, but that the government agencies involved in the project should not misrepresent the figures to get federal approval. He indicated he believes the project will not meet the standards, assuming the counting and reporting during the pilot project is accurate.

John Spence stated that during the past seven years, the government has tried to force people out of their automobiles, and have failed. The only result has been the delay in building a third bridge across the Columbia River. He commented that the people must become aware of the danger to the economy caused by a failure to invest in the highway system.

The Commission meeting adjourned at 3:00 p.m. on October 30, 2001.